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Health and Government Operations Committee

Subcommittees

Government Operations and Health Facilities

Public Health and Minority Health Disparities



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SUPPORT

HB1008 Failure to Pay Rent Proceedings - Sealing of Court Records

March 31, 2021

Dear Chairman Smith, Vice Chair Waldstreicher, and Judicial Proceedings Committee Members,

HB1008 will allow the District Court to seal the court records of eviction proceedings that were settled or where cases are dismissed. Tenants can motion to seal the record one year after the proceeding has occurred and the District Court shall seal the record 30 days after granting the tenant's motion to seal. This would help address one of the more troubling challenges of our inadequate affordable housing stock and high rate of rent-burdened households: differentiating the chronic late-paying tenant from one who is underwater and spiraling to lease default, and the landlord using the civil system to enforce a lease agreement from the landlord using serial eviction as a collection tool. How our eviction system treats each is important to having a system, fair to both landlords and tenants, that does not serve to further impoverish those surviving on the margins, and harming neither tenants nor landlords with tight finances.

Currently, an eviction filing can label one with the "scarlet E" - a bad eviction risk - regardless of whether a resolution is reached pretrial, if there is a finding for the landlord, or a dismissal in favor of the tenant. This label can detrimentally affect one's credit score, make it harder to find future quality housing at an affordable rate, negatively affect job stability and future employment opportunities, and the ability to achieve financial stability for years. Stable shelter is foundational and without it other critical supports quickly fall apart.

Eviction proceedings designed to support landlord interest in enforcing lease agreements against a tenant who is no longer able to pay rent, are misused by landlords or their management agencies to prompt, or even harass, tenants who are only days late or who are reliably late in paying rent. Even when payments including late fees are made, debts are settled, and cases dismissed, these eviction proceedings remain on the tenant's record. The COVID-19 pandemic has exacerbated the underlying problems of affordable rental housing, responsible tenancy, enforcement of lease agreements, and the eviction system. In November of 2020 alone, 2,410 failure to pay rent proceedings were dismissed in Maryland courts.

The underlying reason for the high rate of eviction filings is not bad intentions on either the part of landlords or tenants, it's poverty. While HB1008 won't fix this, it can prevent tenants for whom one-time or temporary circumstances cause them to fall behind from being drawn onto a downward spiral. By allowing for the sealing of eviction filing records in instances where all the debts owed have been paid, when the eviction filing has been dismissed or settled, and where it is right and just, HB1008 will correct a weakness in the system while simultaneously supporting tenant and landlord interests. This is good policy in the best of circumstances, but is even more so during current times; allowing some who've experienced temporary delay or loss of income due to the COVID-19 pandemic to re-establish an eviction credit history that better reflects their reliability under normal circumstances.

The Maryland Multi-Housing Association worked with us to strike the right balance and is in support of the bill. The Maryland Judiciary is offering the two amendments - one changing the mandated form's name and the other postponing for a month the development of the form.

I respectfully request a favorable report, with both Maryland Judiciary amendments.

